

MEETING MINUTES

Office of Economic Development
Economic Development Advisory Board
City Council Chambers - Lower Level
57 E. 1st Street
Mesa, AZ 85201

Date: December 3, 2013

Time: 7:30 A.M.

MEMBERS PRESENT

Rich Adams
Terry Benelli
James Christensen
Tony Ham
Jeff Pitcher
Tony Siebers
Jo Wilson

EX-OFFICIO

Mayor Scott Smith (excused)
Chris Brady (excused)
Brian Campbell
Jeff Crockett
Sally Harrison
Steve Shope

STAFF PRESENT

Bill Jabjiniak
Andrew Clegg
Kelley Keffer
Karen McNulty
Jaye O'Donnell
Sara Sorensen
John Wesley

MEMBERS ABSENT

Mitzi Montoya (excused)
Laura Snow (excused)

GUESTS

Councilmember David Luna
Kimberly Freer, Visit Mesa
Jeff Miraglia, Mindset, Inc., Consultant

1. Chair's Call to Order

Chair Rich Adams called the December 3, 2013, meeting of the Economic Development Advisory Board to order at 7:35 a.m. at the City Council Chambers, Lower Level, 57 E. 1st Street, Mesa, AZ 85201.

2. Items from Citizens Present

None.

3. Approval of Minutes from November 5, 2013, Board Meeting

Chair Adams called for a motion to approve the minutes from the meeting held on November 5, 2013.

MOTION: Jeff Pitcher moved the minutes from November 5, 2013, be approved.

SECOND: Terry Benelli.

DECISION: Passed unanimously.

4. Discussion with Councilmember Luna

Chair Adams advised that Councilmember David Luna has been invited to participate as a member as opposed to being an observer. Councilmember Luna noted he is pleased with the results of this Board and is looking forward to being a part of it.

5. Visit Mesa Presentation

In the absence of Marc Garcia, Kimberly Freer of Visit Mesa, and Jeff Miraglia of Mindset, Inc., gave an overview on moving tourism forward on behalf of Mesa and the East Valley partner cities including Queen Creek, Gilbert and Apache Junction. Ms. Freer reported the brand is lifestyle-focused which will reach out to people in the outer market, and give them multiple channel opportunities to fit into Mesa as a destination.

Mr. Miraglia reported that building of this brand has been a year and a half in the making. While the tourism framework is being provided, this is also a catalyst for economic development with regards to businesses, education, diversity and work forces. Five things needed to be accomplished:

1) The brand has to capture the authenticity of our destination; 2) It has to be inclusive, meaning that it has to include this Board. This was done through a series of stakeholder interviews and

research; 3) Be aspirational; 4) Look to the future; and, 5) Be emotional and youthful because that is where we are today, and we are moving forward to becoming a burgeoning college and education destination.

The "City Limitless" video was viewed.

Mr. Miraglia informed that "City Limitless" was chosen because it encourages how effortless it is to come to Mesa, priceless because families want to be here, and fearless because businesses are going to make their place in Mesa. The appeal will be to youth and businesses as the City grows.

Ms. Freer noted that the video is targeted to reach a broader base and a younger audience. The marketing effort has been shifted to 30 percent print and 70 percent digital, with a campaign launched in October on Travelzoo and Travelocity, and placing ads on multiple websites which are geo-targeted based on lifestyle and demographics. Once results are obtained, they will be shared. She discussed the opening page of the business development plan, tying in both sales and marketing, noting that sales efforts have been enhanced over the past years, and are now more direct in reaching markets.

Chair Adams asked if the video is on YouTube, and Ms. Freer responded it is available on YouTube and the Visit Mesa website for review as well as the annual report.

Mr. Miraglia noted that the current Facebook campaign had 5,000 "Likes" in the last two weeks. He noted that the youthful approach is to appeal to colleges, and having five colleges and universities in Mesa strengthens the leverage of the new brand. He reported that they are aligning with the colleges, and assisting them with tools for recruitment. They are going with a very social media approach including Instagram, Twitter and Facebook to help push the message. He reported they are being judicious in how they are using resources, noting this is a message of an enduring brand, not just a campaign, and will stand the test of time.

In response to a question by Councilmember Luna if there is a shorter version, Mr. Miraglia replied there are multiple versions, including one without the band as well as 15 and 30 second snippets to align with video streams such as Vibe and other social media.

Ms. Freer noted that Wilkes University used the video as a recruitment tool on their website, and the video has been made available to all hotels and attractions for use on their websites.

Brian Campbell encouraged, as part of the campaign, incorporating and using new elements that are coming on line such as the recent Apple announcement and the Council's recent vote to name a stretch of Third Place to Martin Luther King Way. Mr. Miraglia noted they understand the importance of working with this Board. Ms. Freer noted that the national campaign is starting today, with a press release going out and launching on the NY Times Square Jumbotron. The press release mentions universities and the Apple announcement, and is constantly being reviewed and updated with what Economic Development is doing. Brian Campbell asked that, because of confidentiality and Apple's sensitivity to public announcements, to be sure to clear everything with Bill Jabjiniak and his staff before it is incorporated. Bill Jabjiniak noted that because not all details have been finalized, we need to respect Apple's hesitancy and cautiousness as to their competitive position. Tony Siebers suggested that the City's technology accelerator program LaunchPoint be included in future announcements. Chair Adams agreed that it is important that all efforts are coordinated.

6. General Plan Update

John Wesley, Planning Director, was present and reported that the first draft of the General Plan was put out for public review and comment, with good feedback received for ideas, tweaks and adjustments. The next draft should be done by the end of January, which will probably be the final draft.

The Board reviewed the proposed language to include in the appropriate General Plan section:

"The City of Mesa is committed to the foundational principle that economic opportunity for its residents is a necessary predicate for the City to thrive. Without a strong economic base, livable neighborhoods, excelling schools, parks, infrastructure, and all of the other objectives outlined in this General Plan are more difficult to achieve. Fortunately, the City of Mesa is blessed with several areas that offer some of the most significant potential for economic growth in the entire country. Because of their fundamental importance to the continuing vitality of the City, the City of Mesa will do everything necessary to protect these areas from residential encroachment, promote them aggressively, and develop them to their highest economic potential."

Brian Campbell noted the paragraph was drafted to provide language as a tool to respond to potential encroachment on the vital business corridor. Jeff Crocket agreed, and noted that it is important to speak with "one voice" on this issue, and this statement provides a framework that everyone agrees with which recognizes the importance of economic development. He noted that, as he talks to people in the community, it is not intuitive they understand how important economic development and job opportunities are, and this statement reflects progress in changing the perception that the City of Mesa is no longer a "bedroom community" to Phoenix. Sally Harrison noted that Mr. Wesley met with the Chamber of Commerce's Expansion Council multiple times, and has heard input which is in line with this Board's position.

Mr. Wesley noted that one of the things that has yet to be done is to write Chapter 1 of the Plan, which is the Executive Summary, and it looks like this comment could be included in the Executive Summary. Brian Campbell further commented that including this statement in the General Plan will be helpful in educating landowners and partners. Jo Wilson and Bill Jabjiniak concurred that preserving employment areas from residential development is a step forward, and it is important that it be reflected in the General Plan.

Mr. Wesley noted that the last time he was here, one of the things that was discussed and suggested was that if there is an area that is planned for employment and somebody wants to develop that area as residential, part of the review process going forward would be for the issue to come before this Board for input. He has been sharing that policy statement with the Council members as they are going through this review, and they have all been supportive to add that to the mix.

MOTION: Jo Wilson moved to endorse the statement as presented, and forward to John Wesley and the Council.
SECOND: Terry Benelli.
DECISION: Passed unanimously.

7. Accelerator Subcommittee Update

On behalf of Chair Steve Shope, Jeff Pitcher reported that the Accelerator has been named LaunchPoint. The facility has been outfitted out of the ASU Polytechnic campus, with a first participant in sight. Some consultants have been named for financial, HR, accounting, IT, and PR. The grand opening is set for December 18, 2013, and will be attended by Mayor Scott Smith and ASU President Michael Crow.

8. Healthcare Subcommittee Update

Chair Terry Benelli reported the Healthcare Subcommittee has not met since the last meeting.

9. Higher Education Subcommittee Update

Chair Brian Campbell reported the Education Subcommittee is working on a funding mechanism to raise dollars to devote to:

- A. Tackle some of the college metrics seen at one of our previous meetings, specifically to address the 56 percent of students coming out of the Mesa educational system who are going to college and who need remedial college-level work. The Committee does not want to replicate what the Mesa Community College District or ASU are doing. The goal is to target students as early as the 7th or 8th grade, and get them college-ready. There have been follow-up meetings with Liz Paulus at College Bound Mesa.

- B. GPEC is going to have a science technology initiative and the hope is to take advantage of that initiative. There is a draft plan being circulated, with a target goal to present it to this Board for approval in the first quarter of next year. Chair Adams requested a copy of the draft plan.

10. **Marketing/Outreach Subcommittee Update**

Chair James Christensen reported on the meeting and email he has exchanged with Kim Lofgreen. He believes they now have an initial agenda for a meeting after the first of the year, and will report after that.

11. **Business Retention and Expansion Subcommittee Update**

Chair Jo Wilson reported that, while the Committee as a whole has not met, she and Andrew Clegg met in to discuss current status of project draft and how to coordinate with the Chamber of Commerce. A draft plan is being put together to address a slightly different approach than before that will: 1) Look at keeping in touch with major businesses in the community that they are still on target, and to let them know we are still here for them; 2) Identify businesses in the community which could use help to make sure they are successful, especially with regard to things we can do to help shore them up and keep them going because of the light rail; and, 3) How we can support new businesses to make sure they continue to grow. A draft should be out this week or next week which will be sent to Committee members for review. The hope is to launch the plan in January or February 2014.

12. **Director's Report**

- A. Bill Jabjiniak noted that while some subcommittees may not have met or may not have a report, they have been working and moving forward.
- B. Bill Jabjiniak introduced Sara Sorensen, new Economic Development Project Manager.
- C. **AZ Labs**
Bill Jabjiniak reported the Local Redevelopment Authority approved a motion on November 7, 2013. The City Council authorized City management to execute the documents on November 18, 2013, and is still waiting on final approval from the Air Force as to the attorneys' language changes in the documents. The purchase price is \$455,000 for a 6.5 acre campus which has nine or 10 buildings. We have asked the Air Force to finance it, and the interest rate just increased from 0.9 percent to 1 percent. In order not to request additional allocated funding, we have asked Alion to save that money through the operation of the facility over the next two years. Bill Jabjiniak reported on the excess profits clause, and also reported that prospecting activity is up, with over a dozen lease proposals active. They have also challenged Alion to broaden their outreach and start to use national brokerage firms which deal with secured facility real estate. There has also been discussion using the secured facilities for several of the smaller groups from the Lockheed Martin closure in Goodyear who may want to stay in the Valley.
- D. **Baseball**
Bill Jabjiniak reported on the new Chicago Cubs spring training facility and recommended everyone take the opportunity to see it. He reported that Visit Mesa hosted the Super Bowl Committee and that Michael Bidwell was impressed. He reported on the Oakland Athletics and that the fall season baseball at Hohokam is over. Renovations at Hohokam Stadium and Fitch Park will begin in January and should be completed within 12 months. While the project is over budget, the City capped its investment. Executives and CEOs from the Chicago market will be invited for tours of the new Cubs stadium.
- E. **GPEC**
Bill Jabjiniak reported, in coordination with the Business Retention and Expansion Subcommittee, a region-wide group through GPEC did market intelligence a year and a half ago which focused on aerospace and defense. The effects of sequestration were discussed with a variety of Tier 1, Tier 2 and Tier 3 aerospace and defense companies in Mesa. GPEC continues to talk about aerospace and defense, and has moved on to ICT (Information

Communications Technology), specifically, software. We have and will continue to partner with the Chamber. Different models have been looked at over the years, but 80 percent of growth will come from the existing business community, and is now going a little bit better after a couple of false starts. He reported the Executive Committee meets once a month where this is a topic of conversation.

Bill Jabjiniak reviewed a Greater Phoenix Economic Council slide presentation, noting that he, Brian Campbell, Steve Shope and Jeff Crockett are on the Board. Karen Taylor with Eastmark, and Chris Zaharis, Empire Southwest, who are not coming through Mesa specifically, are also great assets for Mesa at GPEC. In response to Chair Adams's question as to what this Board can do; Steve Shope reported they are still in the architectural stage with many moving pieces. It will probably be some time in 2015 when it will come out, and they will keep this Board posted. Chair Adams asked they let this Board or any particular member of this Board know what they can do to help in this effort.

F. Mayor's Urban Development Summit

Bill Jabjiniak reported the Mayor's Urban Development Summit will be held by invitation on Monday, December 9, 2013. Terry Benelli reported this is a follow-up from the March 2012 Downtown Development Summit. Speakers will be coming in from all over the country to talk about hurdles when trying to do infill and redevelopment. In addition to developers and transit development executives, half of the audience will be financial professionals. The Live/Work/Walk Initiative will be discussed as well as an Invisible Asset class which will positively emphasize infill development and alternative financing for projects. In response to Chair Adams' question, because the agenda was shortened to one day, there will be no tour this year, but a map will be provided.

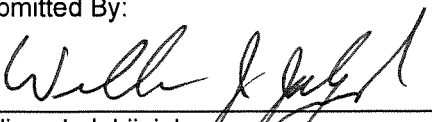
13. Other Business

- A. Tuesday, January 7, 2014, will be the next Board meeting.
- B. Bill Jabjiniak reported that Westminster College is hosting a panel on human trafficking today.
- C. Chair Adams reported that the grand opening for Encore on First Avenue is December 12, 2013.
- D. Brian Campbell reported the FONSI (Finding of No Significant Impact) announcement was made on the light rail extension, and requested it be brought up as a discussion item at a future Board meeting.
- E. Sally Harrison reported the Mayor's Annual Breakfast was rescheduled from January to February 4, 2014, at the Convention Center.
- F. Chair Adams reported that all Board members must review the on-line training materials and submit an electronic signature by January 1, 2014. If anyone needs more information, contact Karen McNulty.

14. Adjournment

Chair Adams adjourned the Board meeting at 9:00 a.m.

Submitted By:



William J. Jabjiniak
Economic Development Department Director
(Prepared by Angie D. Jones)